

REMARKS/ARGUMENTS

The claims outstanding in this application are Claims 1, 3-12, and 14-19. In consideration of the amendments made above and the remarks which follow, applicant hereby respectfully traverses
5 all rejections and objections and requests reconsideration and allowance of the claims currently pending in this application.

The inclusion of structural elements in the base claims, Claims 1 and 12 and by the cancellation of Claims 2 and 13, applicant submits overcomes the rejection propounded under
10 U.S.C. § 101 as well as the rejections under 35 U.S.C. § 112 as they related to Claims 1-19 and Claim 2 and 13.

Claims 1-19 also were rejected under 35 U.S.C. § 102 as being anticipated by Magazine Advertising Guide for Small ISVs [MAG] in that,

15 a. as to independent Claim 1, MAG teaches the steps of providing advertising space to a party for an advertisement, charging an advertising cost for said advertising space, and incrementally decreasing said advertising cost for each incremental increase to said advertising space; and

20 b. as to independent Claim 12, MAG teaches the steps of providing advertising space to a party for an advertisement, charging an advertising cost for said advertising space, and receiving from said party one or more discount amount to an asking price for a subject matter of said advertisement and offering said

one or more discount amount to a consumer, wherein each incrementally larger of said discount amount offered by said party to said consumer generates an incremental increase in said advertising space and an incremental decrease in said advertising cost [referencing MAG, page 6].

The distinguishing structure of the present invention relates to a merchant [referred to in the disclosure and claims as 'party'], cost to the party of advertising space [size of advertisement], and a decrease in the cost when [1] the size of the advertisement increase or [2] the party offering a discount to a buyer [referred to in the disclosure and claims as 'consumer'] wherein the greater the discount offered to the consumer the lower the cost to the party of the advertising space/size.

This is a revolutionary and totally unique concept. The discount to the party in the cost of the party's advertisement in the MAG reference relates directly to quantity [i.e., duration of the advertisement], not its space/size. Under current, prior art practice, pricing for all advertisements is directly related to [1] the size of the advertisement and [2] how long it will run; i.e., the greater the size, the greater the cost; the longer its duration, a slightly lower cost per advertisement.

In this regard, the MAG reference gives an example of a full-page advertisement [i.e., size] to run for 14X [14 times as duration] [lines 23-26 of MAG]. The cost to the party, per

advertisement, for a 14X advertisement is less per advertisement than had the party contracted for a 6X advertisement or less. In other words, the shorter the duration, the greater per-advertisement cost to the party. The only bearing size of the advertisement has on the cost is a directly proportional one; i.e., the greater the size [full-page size or half-page size or less], the greater the cost. In the prior art advertising systems, cost-size have a direct proportional relation to one another and cost-duration have a slightly inverse relation to one another.

In applicant's Claim 1, the unheard-of, unanticipated, opposite is true. The larger the advertisement space/size ordered by the party, the smaller the cost [an inverse relationship]. Duration has no relationship to the cost; it is strictly greater size equals less cost. The MAG reference does not teach or disclose or suggest such. It relates to a discount in advertisement cost based only on duration, not size.

Another unique feature found in applicant's inventive concept is found in independent Claim 12. Here the cost to the party of the advertisement is related to how great a discount the party placing the advertisement is willing to give to the consumer on the product/service the party is featuring in the advertisement; e.g., party offering a \$10 discount coupon to the consumer will result in a decrease by \$X in the cost for the advertisement

[where X is a pre-determined value]; whereas if the party offers a \$20 discount coupon to the consumer, this will result in a decrease by $\$X+A$ in the cost for the advertisement and a \$30 discount coupon will result in a decrease by $\$X+2A$ and so on
5 [where A is a pre-determined value].

Applicant further submits that the MAG reference has no feature which speaks to, discloses, teaches, or suggests that the advertisement system has a consumer input of information [as in applicant's Claims 4 and 17] for collection, storage, and
10 reporting to the respective party [merchant] informing that party of how well the party's advertisement is doing [as in applicant's Claims 6, 11, and 19].

Applicant contends that these features [great size yields less cost for the advertisement AND greater discount offered
15 yields less cost for the advertisement], collection of consumer information, and report to advertising party of how well that party's advertisement is doing, as disclosed and claimed in this application, are not disclosed, suggested, or fairly taught by any of the references of record thereby rendering independent Claims 1
20 and 12 patentable over the prior art. Inasmuch as Claims 3-11 and 14-19 either directly or indirectly devolve from independent Claims 1 and 12, respectively such should be allowable as dependent claims.

For the reasons set forth above the claims currently pending
25 in this application are patentable and provide further preferred

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and optimum materials and method steps not taught in the prior art. In view of the clear distinctions between the cited prior art and the present claims, applicant respectfully requests early reconsideration, allowance, and issue of this application.

Respectfully submitted,

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